

**Company Registration Number: 10781555 (England and Wales)**

**DUAGH PROPERTY LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2022**

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**DUAGH PROPERTY LIMITED**

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## **DUAGH PROPERTY LIMITED**

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### **REPORT OF THE DIRECTORS**

The Directors present their report and the financial statements of Duagh Property Limited (the "Company") for the year ended 31st December 2022.

#### **INCORPORATION**

The Company was incorporated in England and Wales on 20th May 2017.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Company is that of holding investment properties.

#### **STRATEGIC REPORT**

The Directors have taken the small companies exemption in relation to the preparation of a Strategic Report under the provisions of s414B of the Companies Act 2006.

#### **RESULTS AND DIVIDENDS**

The net assets of the Company as at 31st December 2022 were £24,115,482 (2021: £37,388,247).

The loss for the year amounted to £13,932,765 (period ended 31st December 2021: profit £77,729).

The Directors do not recommend a dividend for the year (period ended 31st December 2021: £nil)."

#### **GOING CONCERN**

The Company is currently in a net current liability position of £1,459,991 of which £627,484 relates to loan interest due to the Company's parent entity, London Logistics S.à r.l., which will continue to provide financial support to the Company in order to fulfil its obligations and to meet its liabilities as and when they fall due.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **DIRECTORS**

The Directors who held office during the year and subsequently were:

B. Nabi	(appointed 13th December 2022 and resigned 1st March 2023)
L. Bradaia	(appointed 13th December 2022)
I. Guener	(appointed 13th December 2022)
C. Milne	(resigned 13th December 2022)
J.K. Karhukorpi	(appointed 20th July 2022, resigned 13th December 2022)
A.T.J. Moll	(resigned 13th December 2022)
R.D. Nulud	(resigned 20th July 2022)
J.X. Withrington	(resigned 13th December 2022)

## **DUAGH PROPERTY LIMITED**

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### **REPORT OF THE DIRECTORS - (CONTINUED)**

#### **SECRETARY**

The Company Secretary who held office was SJ Secretaries Limited until 13th december 2022 and then PwC up to the date of approval of the financial statements.

#### **INDEPENDENT AUDITOR**

No independent auditor have been appointed.

#### **REGISTERED OFFICE**

1 Chamberlain Square Cs  
Birmingham  
England, B3 3AX

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

The Directors are required to prepare financial statements for each financial period under the Companies Act 2006 (the "Applicable Legislation"). As permitted by the Applicable Legislation, the Directors have elected to prepare the financial statements in accordance United Kingdom Accounting Standards, including with Financial Reporting Standard 102 1A: Small Entities, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102 Section 1A") and applicable law. The financial statements are required to give a true and fair view of the state of affairs of the Company and the profit and loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards, including FRS 102 Section 1A have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the Applicable Legislation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

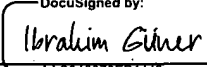
The Directors confirm that they have complied with the above requirements throughout the year and subsequently.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**DUAGH PROPERTY LIMITED**

**REPORT OF THE DIRECTORS - (CONTINUED)**

**BY ORDER OF THE BOARD**

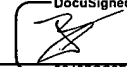
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Authorised signatory

**Mr. Ibrahim Güner**

Director

Date: 20 September 2023

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Authorised signatory

**Mr. Linda Bradaia**

Director

Date: 20 September 2023

**DUAGH PROPERTY LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31ST DECEMBER 2022****Company Registration Number: 10781555 (England and Wales)**

	<u>Notes</u>	<u>31st Dec 22</u>	<u>31st Dec 21</u>
		<u>£</u>	<u>£</u>
<b>FIXED ASSETS:</b>			
Investment properties at fair value through profit or loss	5	63,850,000	80,050,000
<b>CURRENT ASSETS</b>			
Debtors: Amounts falling due within one year	6	425,449	435,672
Cash at bank		1,008	488,541
		426,457	924,213
<b>CREDITORS: Amounts falling due within one year</b>	7	(1,886,448)	(1,356,357)
<b>NET CURRENT LIABILITIES</b>		<b>(1,459,991)</b>	<b>(432,144)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>62,390,009</b>	<b>79,617,856</b>
<b>CREDITORS: Amounts falling due after more than one year</b>	8	(38,274,527)	(42,229,609)
<b>NET ASSETS</b>		<b>24,115,482</b>	<b>37,388,247</b>
<b>CAPITAL AND RESERVES</b>			
Share capital		660,100	100
Revaluation reserve		24,966,332	38,001,576
Profit and loss account		(1,510,950)	(613,429)
<b>EQUITY SHAREHOLDER'S FUNDS</b>		<b>24,115,482</b>	<b>37,388,247</b>

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 as a member of a small group for the year ended 31st December 2022.

The Members have not required the Company to obtain an audit of its financial statements for the year ended 31st December 2022 in accordance with Section 476 of the Companies Act 2006.

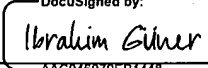
The Directors acknowledge their responsibilities for:

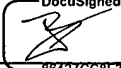
(a) ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006; and

(b) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 5 to 16 were approved and authorised for issue by the Board of Directors on 20/09/2023 and were signed on its behalf by:

Director:   
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Director:   
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(The notes on pages 8 to 16 form an integral part of these unaudited financial statements)

**DUAGH PROPERTY LIMITED****INCOME STATEMENT****FOR THE YEAR ENDED 31ST DECEMBER 2022**

	<b>Notes</b>	<b>1st Jan 22 to 31st Dec 22</b>	<b>1st Jan 21 to 31st Dec 21</b>
		<b>£</b>	<b>£</b>
<b>TURNOVER</b>	9	1,397,407	1,425,090
<b>COST OF SALES</b>	10	(452,020)	(1,785,231)
<b>GROSS PROFIT / (LOSS)</b>		<b>945,387</b>	<b>(360,141)</b>
<b>ADMINISTRATIVE EXPENSES</b>	11	(503,303)	(1,307,840)
<b>OTHER OPERATING INCOME</b>		-	-
<b>OPERATING PROFIT / (LOSS)</b>		<b>442,084</b>	<b>(1,667,981)</b>
Net unrealised (loss) / gain on revaluation of investment properties	5	(17,380,326)	7,561,734
<b>(LOSS) / PROFIT FOR THE YEAR BEFORE FINANCE COSTS AND TAXATION</b>		<b>(16,938,242)</b>	<b>5,893,753</b>
Interest payable and similar expenses	12	(1,339,333)	(1,334,690)
Foreign currency translation difference		(293)	-
<b>(LOSS) / PROFIT FOR THE YEAR BEFORE TAXATION</b>		<b>(18,277,868)</b>	<b>4,559,063</b>
Taxation	13	4,345,103	(4,481,334)
<b>(LOSS) / PROFIT FOR THE YEAR</b>		<b>(13,932,765)</b>	<b>77,729</b>

The Company does not have any other income or expenses, therefore, a Statement of Comprehensive Income is not prepared.

*(The notes on pages 8 to 16 form an integral part of these unaudited financial statements)*

**DUAGH PROPERTY LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31ST DECEMBER 2022**

	<u>Share capital</u>	<u>Revaluation reserve</u>	<u>Profit and loss account</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>BALANCE AT 31ST DECEMBER 2020</b>	<b>100</b>	<b>34,919,475</b>	<b>2,390,943</b>	<b>37,310,518</b>
Profit for the year	-	3,082,101	(3,004,372)	77,729
<b>BALANCE AT 31ST DECEMBER 2021</b>	<b>100</b>	<b>38,001,576</b>	<b>(613,429)</b>	<b>37,388,247</b>
Issue of shares	660,000	-	-	660,000
Loss for the year	-	(13,035,244)	(897,521)	(13,932,765)
<b>BALANCE AT 31ST DECEMBER 2022</b>	<b>660,100</b>	<b>24,966,332</b>	<b>(1,510,950)</b>	<b>24,115,482</b>

*(The notes on pages 8 to 16 form an integral part of these unaudited financial statements)*

## **DUAGH PROPERTY LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31ST DECEMBER 2022**

##### **1 GENERAL INFORMATION**

Duagh Property Limited (the "Company") holds investment properties in the United Kingdom.

The Company is a private limited company registered in England and Wales. The Company's registered number is 10781555. The address of its registered office is 1 Chamberlain Square Cs, Birmingham, B3 3AX.

On 13th December 2022, the Company migrated the effective place of management to Luxembourg. The central administration, principal establishment and centre of main interest is located at 1, rue Isaac Newton, L-2242 Luxembourg. The Company remains registered in the UK with Companies House and will remain a UK entity for statutory filing purposes.

##### **2 STATEMENT OF COMPLIANCE**

These financial statements have been prepared under United Kingdom Accounting Standards, including Financial Reporting Standard 102 1A: Small Entities, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102 Section 1A") and in compliance with the Companies Act 2006.

##### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied to the current year and prior period presented, unless otherwise stated.

###### **Basis of preparation**

These financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of the investment properties measured at fair value through profit or loss.

The functional currency of the Company is Pound Sterling because this is the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pound Sterling.

###### **Presentation of a Statement of Cash Flows**

Under FRS 102 paragraph 7.1B, a small entity is exempt from preparing a Statement of Cash Flows. Consequently, no statement of cash flows has been presented in these financial statements.

###### **Going concern**

The Company is currently in a net current liability position of £1,459,991 of which £627,484 relates to loan interest due to the Company's parent entity, London Logistics S.à r.l., which will continue to provide financial support to the Company in order to fulfil its obligations and to meet its liabilities as and when they fall due.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the financial statements.

###### **Investment properties**

Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure. Investment properties for which a value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually, with any changes in fair value recognised in the Income Statement.

The Company engaged independent valuers to determine fair value. The fair value of the investment properties reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the properties under current market conditions. The key assumptions used to determine the fair value of the investment properties are further explained in Note 5.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

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**DUAGH PROPERTY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 31ST DECEMBER 2022****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)****Investment properties - (continued)**

Investment properties are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Income Statement.

**Financial instruments**

Basic financial instruments, except for investment property which is measured at fair value, are carried at the undiscounted amount of the cash and other consideration expected to be received or paid, net of impairment.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

**Share capital and share premium**

The shares and any premium issued on the shares are classified as equity due to having no provision for mandatory redemption.

**Fair value measurement**

Fair value is defined as the amount that would be received to sell an asset in an orderly transaction between market participants at the measurement date (i.e. the exit price).

Investment property is measured and reported at fair value are classified and disclosed utilising inputs from one or more of the following categories:

Level 1: Quoted prices available in active markets for identical investments as of the reporting date. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the current bid price.

Level 2: Inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date. Investments which may be included in this category include, but are not limited to, investments in which secondary market transactions meeting certain requirements (size, financial disposition buyer/seller, relative proximity of transaction date to reporting date, etc.) occurred.

Level 3: If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

**Turnover**

Turnover is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before turnover is recognised:

***Rental income and service charge income***

Income arising from operating leases is recognised when the right to receive the consideration is established and is recognised on a straight-line basis over the term of the relevant lease. Where payments are received from tenants in advance of the period the rent is incurred, the amounts are recorded as deferred income and included as part of creditors due within one year. Initial indirect costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Lease incentives are recognised as a reduction of rental income on a straight-line basis over the lease term.

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**DUAGH PROPERTY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 31ST DECEMBER 2022****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)****Turnover - (continued)***Service charges*

Recoveries of operating costs for lease components are recognised in the period in which the related operating costs are incurred and recoverable under the lease agreement. Revenue from services rendered to tenants are recognised as the performance obligations are satisfied over time as they are provided during the period of occupancy and only to the extent that it is highly probable that a significant amount of the cumulative revenue recognised for a contract will not be reversed.

**Interest income and interest expense**

Income earned on bank deposits are recognised on an accruals basis. Interest on borrowings is recognised in profit or loss as it accrues using the effective interest rate method.

**Taxation**

Taxation expense for the year comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Income Statement.

Current or deferred taxation assets and liabilities are not discounted.

*Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

*Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and profit / (loss) as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

**Provisions for liabilities**

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

**Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. The profit or loss on exchange is recognised in the Income Statement.

**DUAGH PROPERTY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 31ST DECEMBER 2022****4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES**

In the application of the Company's accounting policies, which are described in Note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

During the year, there are no critical accounting judgements and the key source of estimation uncertainties is as follows:

**Measurement of investment properties**

The fair value of the investment properties was primarily derived using recent comparable market transactions on arm's length terms, where available, and appropriate valuation techniques, the investment and capitalisation methods. This involved estimation of future cash flows to be generated over a number of years and combination of assumptions including revenue growth and rental values. In addition the use of discount rates / capitalisation rates requires judgement.

**5 INVESTMENT PROPERTIES AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<u>31st Dec 22</u>	<u>31st Dec 21</u>
<b>Freehold land and buildings</b>	<b>£</b>	<b>£</b>
<b>At cost</b>		
Balance brought forward	29,381,232	16,392,966
Additions during the year	1,180,326	12,988,266
<b>Balance carried forward</b>	<b>30,561,558</b>	<b>29,381,232</b>
<b>At fair value</b>		
Balance brought forward	80,050,000	59,500,000
Additions during the year	1,180,326	12,988,266
Net unrealised (loss) / gain on revaluation of investment properties	(17,380,326)	7,561,734
<b>Balance carried forward</b>	<b>63,850,000</b>	<b>80,050,000</b>

The Company holds land at Goat Road, Tramway Path and property at 1 Drake Road, Mitcham, London. On 29th January 2021, the Company acquired freehold property units known as Units 1 and 2 and 3 to 9 Willow Lane Industrial Estate, Mitcham, London for £ 12,000,000.

The properties has been valued by CBRE Limited as at 31st December 2022 and 2021 in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

The valuer has adopted a residual valuation approach primarily derived using comparable recent market transactions on arm's length basis.

**DUAGH PROPERTY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 31ST DECEMBER 2022****6 DEBTORS: Amounts falling due within one year**

	<u>31st Dec 22</u>	<u>31st Dec 21</u>
	<u>£</u>	<u>£</u>
Funds with property agents	15,525	27,916
Rent and Insurance receivable	126,626	361,521
Prepayments	25,039	16,462
Other debtors	-	29,773
VAT recoverable	190,733	-
Accrued Rental Income	67,526	-
	<u>425,449</u>	<u>435,672</u>

At the end of the year there were balances outstanding in respect of amounts due back to the Company from the tenant relating to recoverable insurance which forms part of the other debtors balance.

**7 CREDITORS: Amounts falling due within one year**

	<u>31st Dec 22</u>	<u>31st Dec 21</u>
	<u>£</u>	<u>£</u>
Interest due to parent entity (Note 8)	627,484	766,655
Rental income in advance	-	300,000
VAT payable	-	30,014
Accrued expenses	417,748	259,688
Trade payables	191,216	-
Loan due to parent entity	650,000	-
	<u>1,886,448</u>	<u>1,356,357</u>

**8 CREDITORS: Amounts falling due after more than one year**

	<u>31st Dec 22</u>	<u>31st Dec 21</u>
	<u>£</u>	<u>£</u>
Loan due to parent entity	29,952,417	29,562,417
Deferred tax liability (Note 13)	8,322,110	12,667,192
	<u>38,274,527</u>	<u>42,229,609</u>

The Company entered into an intercompany loan agreement on 19th April 2021 with TransEuropean Prop2 S.à r.l. for an interest-bearing loan facility (5.5% per annum) with effect from 31st January 2021.

On 12th May 2021, TransEuropean Prop2 S.à r.l., London Logistics S.à r.l. and the Company entered into an assignment agreement, whereby the loan was assigned from TransEuropean Prop2 S.à r.l. to London Logistics S.à r.l. with effect from 7th April 2021. Upon the assignment of this loan it was agreed that the interest rate would be adjusted from 5.5 % to 4.5 % per annum. The loan and accrued interest have a maturity date of 31st January 2027.

**DUAGH PROPERTY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)  
FOR THE YEAR ENDED 31ST DECEMBER 2022****9 TURNOVER**

	<b>1st Jan 22 to 31st Dec 22</b>	<b>1st Jan 21 to 31st Dec 21</b>
	<b>£</b>	<b>£</b>
An analysis of the Company's property income is as follows:		
Rental income	1,276,637	1,400,145
Insurance income	24,083	22,433
Service charge income	96,687	2,512
	<b>1,397,407</b>	<b>1,425,090</b>

At the reporting date, the Company had contracted with tenants for the following future minimum lease payments:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Within one year	59,545	1,200,000
After five years	-	-
	<b>59,545</b>	<b>1,200,000</b>

**DUAGH PROPERTY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)  
FOR THE YEAR ENDED 31ST DECEMBER 2022****10 COST OF SALES**

	1st Jan 22 to 31st Dec 22	1st Jan 21 to 31st Dec 21
	£	£
Service charge expenditure	62,657	2,512
Property management fees	8,050	9,130
Property legal and professional fees	348,660	1,602,131
Insurance expense	32,653	22,433
Other property expenditure	-	149,025
	<b>452,020</b>	<b>1,785,231</b>

**11 ADMINISTRATIVE EXPENSES**

	1st Jan 22 to 31st Dec 22	1st Jan 21 to 31st Dec 21
	£	£
Management fees	525,761	958,047
Investment management fees	(121,636)	121,636
Administration and accountancy fees	42,133	34,436
Audit fees	20,000	25,000
Tax compliance fees	30,601	21,000
Valuation fees	6,125	17,400
Non-recoverable VAT	-	127,936
Bank charges	174	2,125
Other administrative expenses	145	260
	<b>503,303</b>	<b>1,307,840</b>

The Company incurred audit expenses amounting to £20,000 during the year (2021: £25,000) payable to Deloitte LLP, the appointed auditors. Deloitte LLP did not perform any non-audit services.

**DUAGH PROPERTY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)  
FOR THE YEAR ENDED 31ST DECEMBER 2022****12 INTEREST PAYABLE AND SIMILAR EXPENSES**

	1st Jan 22 to 31st Dec 22	1st Jan 21 to 31st Dec 21
	£	£
Bank loan interest	-	91,288
Intercompany loan interest	1,339,333	1,243,402
	<u>1,339,333</u>	<u>1,334,690</u>

Refer to Note 8 in respect of the terms of the borrowings.

**13 TAXATION**

	1st Jan 22 to 31st Dec 22	1st Jan 21 to 31st Dec 21
	£	£
<b>Current tax on net income on ordinary activities</b>		
United Kingdom taxation	(21)	1,701
<b>Deferred tax</b>		
Origination and reversal of timing differences:		
- Non-current	(4,345,082)	4,479,633
<b>Income tax</b>	<u>(4,345,103)</u>	<u>4,481,334</u>

The UK rental business profits of the Company's are subject to UK income tax at the rate of 19% (31st December 2021: 19%).

It was announced by HMRC in a policy paper published on 3rd March 2021 that the Corporation tax rate applicable to Companies that pay Corporation tax will increase from the current 19% to 25% effective from 1st April 2023.

The table below shows the deferred tax recognised by the Company as at 31st December 2022 and 2021.

	1st Jan 22 to 31st Dec 22	1st Jan 21 to 31st Dec 21
	£	£
<b>Deferred tax liability</b>		
- Non-current	<u>(8,322,110)</u>	<u>(12,667,192)</u>

The deferred tax liability arose from the temporary difference between the fair value of the investment properties and their tax base.

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**DUAGH PROPERTY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022****14 GUARANTEE**

The Company's parent entity has entered into a loan facility agreement and the Company is party to the loan facility agreement as a guarantor, whereby the Company has agreed under a debenture to grant a fixed and floating charge over all of its assets to the security agent of the loan facility agreement.

**15 IMMEDIATE AND ULTIMATE CONTROLLING PARTY**

In the opinion of the Board of Directors of the Company, the immediate parent company is London Logistics S.à r.l.

In the opinion of the Directors of the Company, the ultimate controlling party is the Board of Managers of Project Urban GP S.à r.l., which is the General Partner of Project Urban SCSp fund. The Board of Managers of Project Urban GP S.à r.l. is currently made up of Patrizia employees.

The Company is consolidated into the financial statements of Urban Project SCSp and copies of which are available at its registered office address of 41, Avenue de la Liberté, L-1931 Luxembourg.

**16 EMPLOYEES AND DIRECTORS**

The average number of Directors during the year was 4 (2021: 4).

The Company has no employees during the year (2021: nil)

**17 RELATED PARTY DISCLOSURES**

Administrative and accounting services are provided to the Company by PwC Luxembourg and its subsidiaries at commercial rates.

B. Nabi, L. Bradaia & I. Guener are employees of Patrizia P.I.M. (Regulated) Limited and Patrizia PIM Limited or subsidiaries of these entities) which are two corporate members of Patrizia Property Investment Managers LLP ("PPIM LLP"). PPIM LLP is an entity that provides property related investment advisory services to the Company.

During the year, asset management fees were paid to Kingston Space Property Ltd amounting to £628,875 who serves as Asset Managers for the company.

**18 EVENTS AFTER THE END OF THE REPORTING PERIOD**

Subsequent events have been evaluated up to the date the Financial Statements were approved and authorised for issue by the Board of Directors of the Company and the following subsequent events had occurred.

On 20th January 2023, the Company changed its registered office to 1 Chamberlain Square CS, Birmingham, England, B3 3AX.

On 1st March 2023 the changes in the Board of directors of the Company is as follows: Termination of appointment of B. Nabi.